

Organization and Functions

- 1.a. Attached hereto is an Organization Chart of the Supply Division/Office of Logistics, Tab X, and a statement of the mission and functions of that Division, Tab Y. The chart has been prepared to show in detail the sub divisions of the Supply Operations Branch and the [] through which two components most of the paperwork producing data susceptible of electronic processing flows. The chart and statement of functions serve to indicate the extent to which decentralization of functions has been carried, thereby creating an overload of work in maintaining control. 25X1
- b. To accomplish its mission the Supply Division/OL has a T/O of [] Of these, at least 60 are directly engaged full time, and an equal number part time in the paperwork. At Headquarters and the [] this work involves the use of 50 forms which have been approved by RWS/MS and numerous other forms which have been created internally within the OL without such approval. 25X1 25X1
2. Electronic processing of such data in other organizations, both commercial and governmental, has invariably resulted in simplification of such manual operations as still may be necessary, and a significant reduction in the numbers of people required to perform equal functions. For example, in the Department of Health, Education and Welfare (Social Security Administration) the increase in the number of "Net Accounts Established" as of the end of FY 1956 over the end of FY 1939 was 167.8%, whereas the "Average Number of Employees on Duty During the Year" for the same dates increased only 14.7%. At a conference attended by members of this feasibility team in Atlanta, Georgia early this year, one of the metal fabricating companies reported an anticipated annual saving in clerical costs of \$220,000.00. Others, such as Lockheed Aircraft and General Electric, while not furnishing specific figures, stated that their savings were very substantial. It should be assumed, therefore, that this Agency could anticipate similar results from conversion to EDP and that the minimum savings indicated in paragraph 4 below represent a completely logical conclusion.
- 3.a. In electronic processing of data produced by the Office of Logistics, in connection with requisitions, purchases, receipts and reports, the following functions will be performed electronically:

General Function

(1) Editing

Specific Functions Eliminated

Manually comparing requisitions with stock-status reports to determine identity and availability of each line item; making

- extracts of items to be procured; up-dating of records of issuances and receipts on stock-status reports, due-ins, due-outs, back-orders; preparing and controlling coding sheets.
- ✓ (2) Stock Management Manually controlling stock level records, item activity, issuance of stock replenishment requisitions.
 - ✓ (3) Document Processing Manually duplicating requisitions, receiving documents, and many supplemental documents, and eliminating much correspondence, filing and control logging.
 - ✓ (4) Receipts Control All manual comparison and accounting activity.
 - ✓ (5) Locator Manually maintained locator records at
 - ✓ (6) Packing & Shipping Manually produced documentation.
 - ✓ (7) Machine Records Necessity for producing many reports derived from OL data.
 - ✓ (8) Depot Stock Control Most supervisory activity.

25X1
25X1

- b. This should result in the elimination of at least 36 positions in the Supply Division/OL and 10 positions in the Machine Records Division (5 of whom would be replaced or retained as computer personnel - see Annex VI), as follows:

- Stock Editing Unit
- ✓ Stock Management and Requirements Section
- ✓ Document Processing Unit
- ✓ Receipts Control Unit
- ✓ Depot Stock Control Section
- ✓ Shipping Sub Unit
- ✓ Locator Sub Unit - savings listed in Annex IV.
- Machine Records Division/Comptrollers Office - savings listed in Annex III.

8
7
8
3
2
5
33

3 ←

5

Note: It is understood that the Special Accounts Unit, not included in these savings, is being abolished.

- 4. The estimated minimum annual savings in salaries for the above 33 positions, based upon an average of the lowest grades employed in each of the components listed, equalling a middle step GS-7 at an annual wage of \$5,000.00, would amount to \$165,000.00.
- 5. To review and code all requisitions before processing, establish proper stock levels, and maintain such other controls as still may be found necessary after installation of EDP, a Stock Management and Control Section should be established to replace the remainder of the present

Stock Editing Unit, Stock Management and Requirements Section, Document Processing Unit, Receipts Control Unit and Depot Stock Control Section. This new component should be so placed within the OL as to furnish the closest cooperation possible with the Procurement Division and the Identification and Cataloging Branch.

6. To provide effective liaison with the several components of the Procurement Division/OL, the Identification and Cataloging Branch, Supply Division/OL should be placed in the Procurement Division.
7. A complete management study of both the Procurement and Supply Divisions/OL, and perhaps of the entire Office of Logistics, should be made following the installation of a computer, to determine other areas of possible savings.